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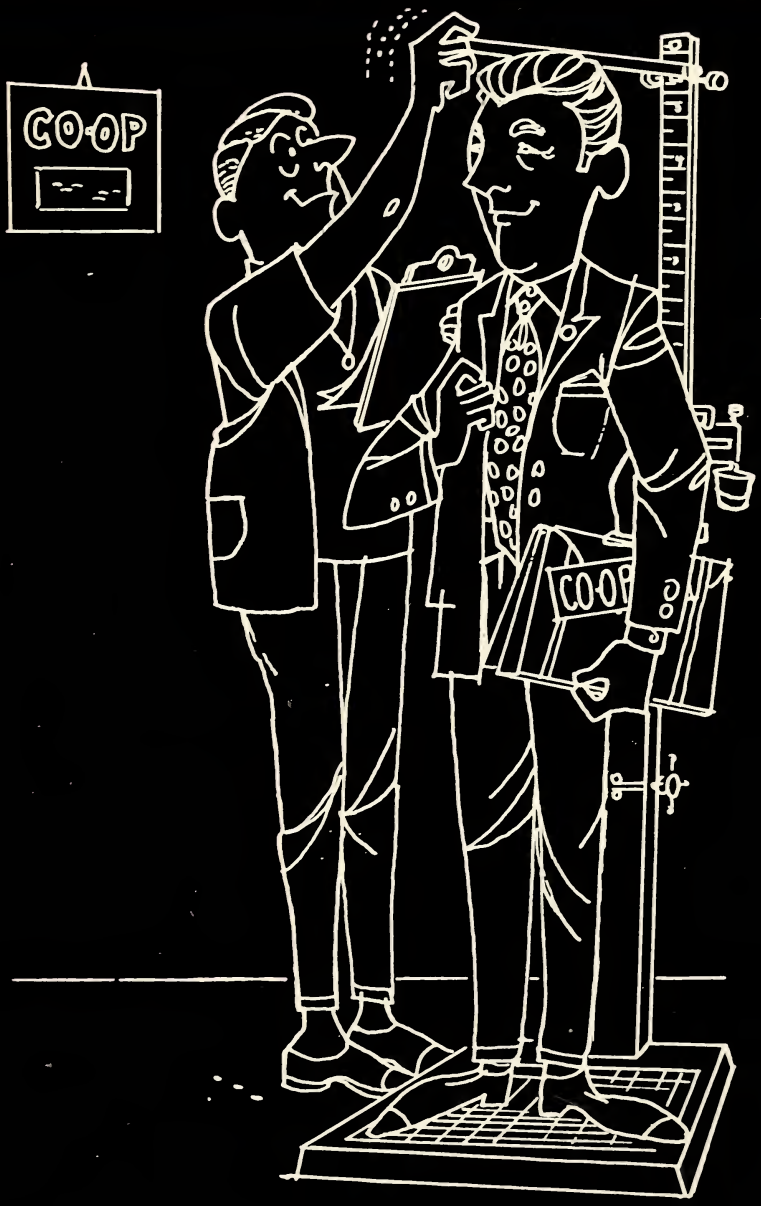
Measuring Co-op Directors



FCS INFORMATION 73
FARMER COOPERATIVE SERVICE ● U.S. DEPARTMENT OF AGRICULTURE

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FARMER COOPERATIVE SERVICE
U.S. DEPARTMENT OF AGRICULTURE

Farmer Cooperative Service provides research, management, and educational assistance to cooperatives to strengthen the economic position of farmers and other rural residents. It works directly with cooperative leaders and Federal and State agencies to improve organization, leadership, and operation of cooperatives and to give guidance to further development.

The Service (1) helps farmers and other rural residents obtain supplies and services at lower cost and to get better prices for products they sell; (2) advises rural residents on developing existing resources through cooperative action to enhance rural living; (3) helps cooperatives improve services and operating efficiency; (4) informs members, directors, employees, and the public on how cooperatives work and benefit their members and their communities; and (5) encourages international cooperative programs.

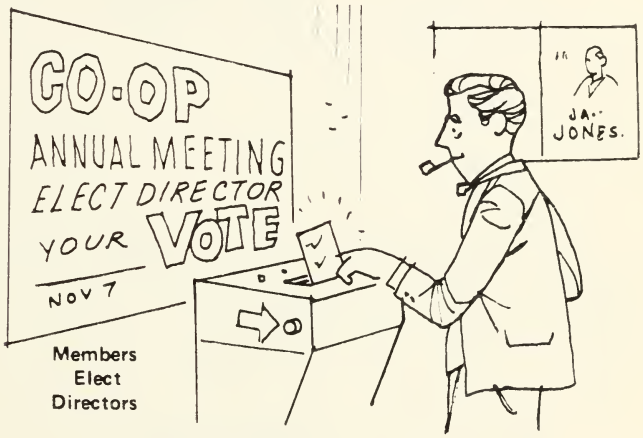
The Service publishes research and educational materials and issues *News for Farmer Cooperatives*. All programs and activities are conducted on a nondiscriminatory basis.

This publication is one of a series designed to provide basic cooperative information.

C.H. Kirkman, Jr.
Farmer Cooperative Service
Information 73
Revised November 1971

MEASURING CO-OP DIRECTORS

Cooperatives have many owners. They are called members. They choose a few (7 to 9) of the best members to guide the co-op. These are called directors. Any member may become a director. Members elect directors at the meeting they hold each year to talk about the co-op's business. This is called the annual meeting.



Members Elect Directors

DIRECTORS

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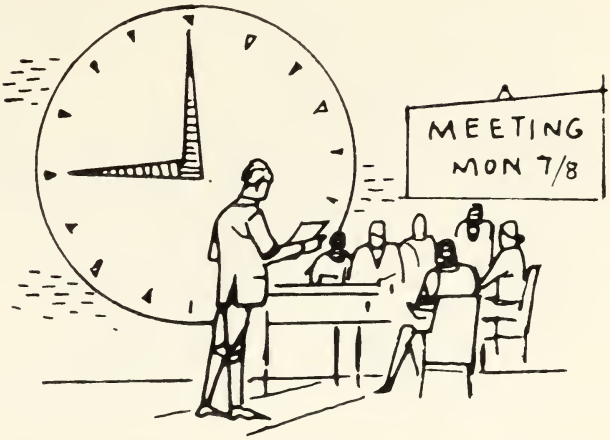
At many cooperatives, the president of the board of directors chooses a few members as a nominating committee about a month before the annual meeting. This committee then nominates members they think would make good directors for the coming year.

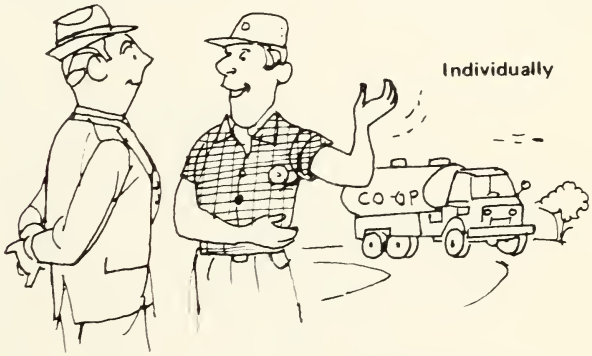
All members at the annual meeting vote on the names put before them. If a member does not think those nominated will be good directors, he can make more nominations before voting starts.

What makes good directors?

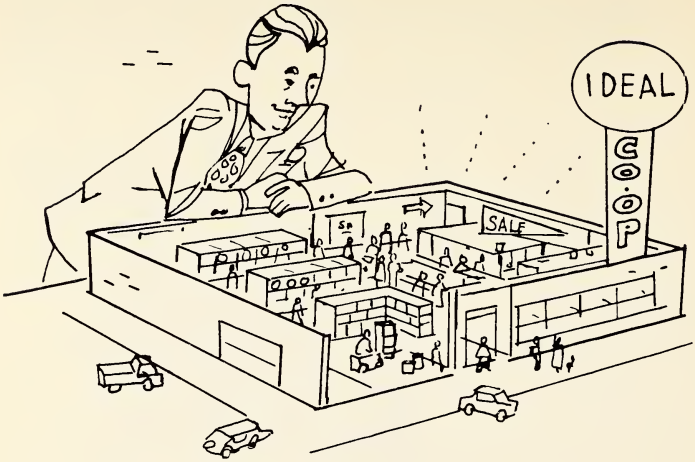
A good director is a member willing to take the time to be on the board.



A good director listens to members



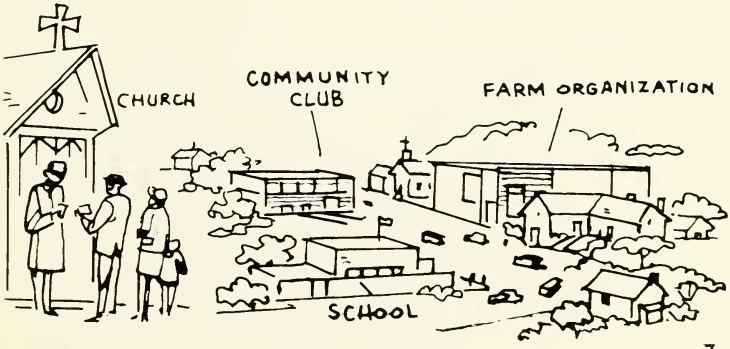
A good director must watch the co-op, but not bother the daily operations.



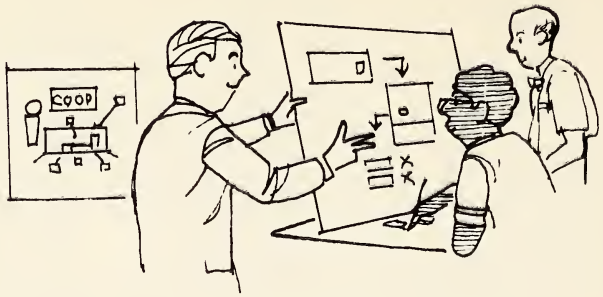
A good director needs to be a good businessman in his own affairs.

A good director can be trusted.

A good director takes part in the church, school, or community.



A good director voices opinions honestly and has good judgment.

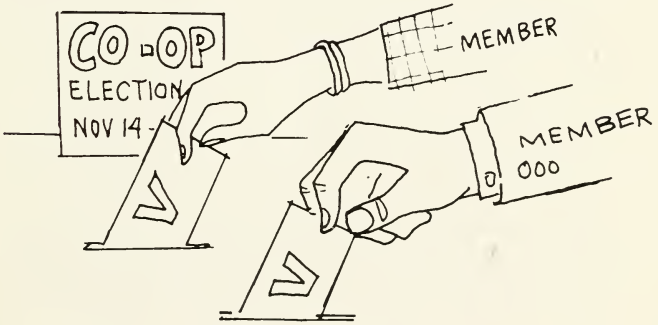


A good director is alert and willing to adopt new ideas that will work.

A good director recognizes and assumes legal responsibility for his actions as a board member.

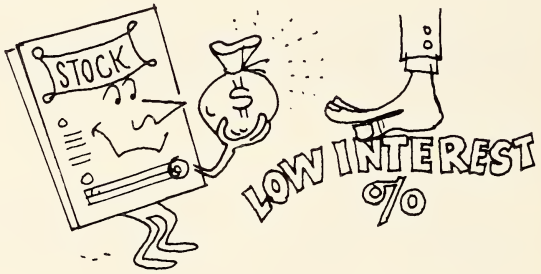
A good director knows that cooperatives are like other business firms except for three things –

1. Members control the cooperative with their votes. This is called democratic member control.



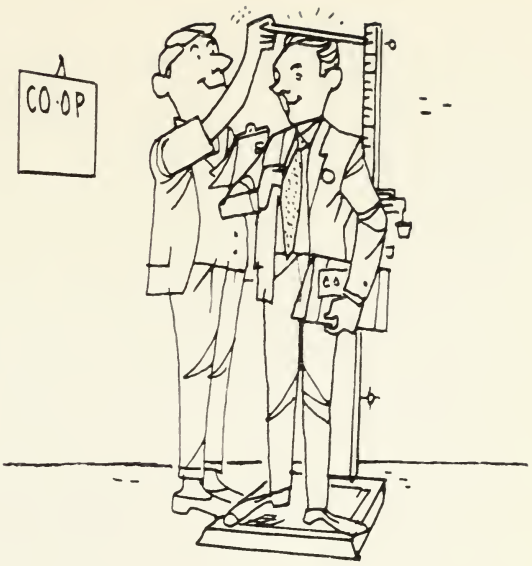
2. The cooperative does not keep a profit, but gives the money back to the member as patronage refunds. Thus, the cooperative operates at cost.

3. The cooperative pays a limited rate of interest on money provided by members for the co-operative to use. This is called limited returns on investment.



A good director does all possible business with the co-op.

But, to really measure up



A good director learns and studies ways to be a better director.

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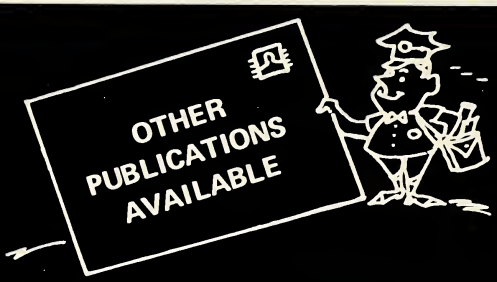

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